
Financial Performance Analysis of KSP KOPDIT Pintu Air Based on CAMEL Method

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Abstract:

This study aims to describe and analyze the health level of savings and loan cooperatives, namely Capital (capital), Assets (quality of productive assets), Management (management), Earning (profitability), Liquidity (liquidity). The research was conducted at KSP Kopdit Pintu Air Sikka Regency NTT. This type of research is a type of quantitative descriptive research. The data used are financial statements for 2020, 2021 and also the results of interviews from cooperative administrators. While the data analysis technique uses data analysis techniques using the Camel method. This shows that the financial performance of KSP Kopdit Pintu Air using the ratio of the Camel method is in an unhealthy situation, but in 2021 it is slightly healthier or in the moderate category.

Keywords: *kopdit, capital, Asset, management, Earning, Liquidity*

1. Introduction

Cooperatives are non-financial institutions that provide capital in order to provide access to every community to obtain loans at low interest rates for productive businesses that can improve their quality of life. The presence of the cooperative itself does not only aim to make a profit but prioritizes in providing services to members in order to overcome financial problems and as a people's economic movement based on family principles. Credit cooperatives are one of the non-bank microfinance institutions that prioritize the welfare of the poor or lower middle class. The progress and development of credit cooperatives can be seen from several important aspects, one of which is the financial performance of credit cooperatives.

Saving and Loan Cooperative is generally defined as a business activity that collects funds from members and prospective members and distributes them back in the form of loans to members and prospective members and the public who meet certain requirements (Rizal & Herawati, 2023). In addition, members of savings and loan cooperatives aim to provide the lowest possible interest so that borrowing members feel relieved in terms of paying debts to cooperatives. And the provision of credit to members of savings and loan cooperatives must be supervised by borrowing members so that they are not misused. Therefore, every borrower member who is given savings and cooperative loans is very influential on the health level of the cooperative itself. This cooperative health problem depends on the organization, operation and management of its business. In the cooperative itself, all members also act as owners

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so that all members have authority in every decision in the cooperative (Republika, 2022).

In analyzing the financial performance of companies, several different tools and techniques have been adopted by various researchers and institutions in the world. Financial performance analysis consists of profitability analysis, working capital analysis, asset management analysis, financial structure analysis, and CAMEL method which is a widely and internationally accepted system (Kadel, 2019 & Athanasoglou et al., 2011).

Cooperative health level assessment is carried out with the intention of assessing the extent of financial performance, business feasibility to determine the continuity of the cooperative's business in assessing the health level of the cooperative based on the CAMEL method (Capital, Asset, Management, Earning, Liquidity). This research was conducted at KSP Kopdit Pintu Air. KSP Kopdit Pintu Air itself is headquartered in Rotat Hamlet, Ladogahar Village, Nita District, Sikka Regency, NTT.

There is still little research on financial performance by measuring the level of health in savings and loan cooperatives in Sikaa NTT, so the authors are motivated to further examine these issues in savings and loan cooperatives.

This research is expected to provide a new conceptual contribution to the development of management science in general and specifically about analyzing the health level of savings and loan cooperatives in Sukka Regency, East Nusa Tenggara using the CAMEL method. Furthermore, it is also expected to provide an overview and expectations for the sustainability of savings and loan units in Sikka Regency, NTT in the future

2. Theoretical Background

In general, a cooperative can be defined as a business entity with a group of people or cooperative legal entities based on its activities as a people's economic movement based on family principles.

According to Subandi (2015) cooperative is an association built by certain people with limited economic capacity, with the aim of seeking to improve the economic welfare of its members. Meanwhile, according to the Law of the Republic of Indonesia (2012) Cooperative is a legal entity built by individuals or cooperative legal entities, by separating the assets of its members as capital to carry out operational activities, which include aspirations and common needs in the economic, social and cultural fields in accordance with cooperative values and principles.

According to Sabinus Beni (2017) Credit *Union* is a business entity owned by a group of people in a unifying bond who agree to save their money so as to create shared capital to be loaned among their neighbors with decent interest and for productive and welfare purposes.

Cooperative Health Assessment

Cooperative Health Assessment Health assessment is the result of a quantitative assessment of various aspects that affect the condition of a cooperative. In addition, another definition of cooperative health assessment is the result of a quantitative assessment of various aspects that affect the condition of a cooperative. Through the assessment of the Capital Aspect, Productive Asset Quality Aspect, Management Aspect, Efficiency Aspect, Independence and growth Aspect, Liquidity Aspect and Cooperative identity Aspect (Sudaryanti & Sahroni 2017). According to the Decree of the Minister of Cooperatives and SMEs No. 20/Per/M.KUKM/XI/2008, cooperative health is the condition or state of a cooperative that is declared healthy, quite healthy, less healthy and unhealthy. This is reinforced that, aspects used for cooperative health assessment include aspects of capital, quality of productive assets, management, efficiency, independence and growth, liquidity.

Camel Method

The CAMEL method is a combination of the words Capital, Asset quality, Management, Earnings, Liquidity. This CAMEL analysis refers to the assessment provisions stipulated in the Regulation of the Minister of State of Cooperatives and Small and Medium Enterprises of the Republic of Indonesia number: 35.3 /Per/M.KUKM/X/2007 concerning Guidelines for Cooperative Health Assessment (Ervina & Sovyan 2017). Cooperative health level assessment is carried out with the intention of assessing the extent of financial performance, business feasibility, business continuity of the cooperative, the level of health and the processes that occur in cooperative activities whether it is effective and efficient (Yusuf 2016).

The health level assessment itself is based on the provisions of the ratio calculation of various factors and components set by Bank Indonesia. The ratio obtained from the assessment of these factors and components is then given a credit value of 0 to 100. The credit value obtained from the quantification results is used to determine the predicate of cooperative health which includes healthy, quite healthy, less healthy and unhealthy

3. Methodology

The type of research used in this study uses quantitative descriptive methods. The data used in this study are secondary data consisting of an overview of KSP Kopdit Pintu Air, KSP Kopdit Pintu Air's financial statements consisting of balance sheets and SHU reports for the 2020-2021 period and Credit Cooperative statistical data in the form of the number of members and loan defaults for the 2020-2021 period.

In this study, the research variable is the financial performance of KSP Kopdit Pintu Air based on the CAMEL method (Capital, Asset, Management, Earning, Liquidity):

4. Empirical Findings/Result

Analysis of actual performance calculations is carried out to determine the actual financial performance of KSP Kopdit Pintu Air for the 2020-2021 period. The actual performance analysis is as follows:

Table 1. Financial Performance Assessment of KSP Kopdit Pintu Air 2020

Ratio		Ideal Ratio (%)	Data Analysis Results	Ratio Criteria
<i>Capital</i>	P1	100	8,61%	Bad
	P2	35	-206,65%	Bad
<i>Asset Quality</i>	A1	≤ 5	14,55%	Bad
	A2	<5	9,75%	Bad
<i>Management</i>	R7	>3,75	10,14%	Excellent
	R9	5	6,10%	Medium
<i>Earning</i>	E1	70-80	82,68%	Medium
	E5	70-80	41,38%	Bad
	E6	<5	2,42%	Excellent
	E9	>10	-4,20%	Bad
<i>Liquidity</i>	L1	15-20	3,33%	Bad

Source: Financial Performance of KSP Kopdit Pintu Air 2020

Table 2. Financial Performance Assessment of KSP Kopdit Pintu Air in 2021

Ratio		Ideal Ratio (%)	Data Analysis Results	Ratio Criteria
<i>Capital</i>	P1	100	9,29%	Bad
	P2	35	-585,77%	Bad
<i>Asset Quality</i>	A1	≤ 5	12,51%	Bad
	A2	<5	12,17%	Bad
<i>Management</i>	R7	>3,50	8,68%	Very good
	R9	5	5,90%	Medium
<i>Earning</i>	E1	70-80	80,89%	Medium
	E5	70-80	41,76%	Bad
	E6	<5	6,56%	Good
	E9	>10	-4,20%	Bad
<i>Liquidity</i>	L1	15-20	15,67%	Excellent

Source: Financial Performance of KSP Kopdit Pintu Air 2021

Assessment of Capitalization Aspects

The results of the calculation of the performance of the indicator Availability of risk reserve funds to total defaulted loans > 12 months. and Availability of risk reserve funds to total defaulted loans 1-12 months in 2021 are in the defective criteria where the Availability of risk reserve funds to total defaulted loans > 12 months in 2021 is 9.92%, which means that this year no risk reserve funds are provided to cover defaulted loans above 12 months. Meanwhile, from 2020 to 2021, KSP Kopdit Pintu

Air provides risk reserve funds but has not reached the ideal 100% criteria. The percentages from 2020 to 2021 are 8.61%, and 9.29%. Although there has been an increase in the ratio of Availability of risk reserve funds to total defaulted loans > 12 months, it is still far from the ideal criteria of 100%. In the indicator of the availability of risk reserve funds to total defaulted loans of 1-12 months, KSP Kopdit Pintu Air is still in the wrong criteria. This can be seen from the percentage generated from 2020 to 2021 which has always been minus for two consecutive years. The percentage ratio of the availability of risk reserve funds to total defaulted loans 1-12 months in 2020 to 2021 amounted to -206.65%, and -585.77%. This situation means that KSP Kopdit Pintu Air does not have a net risk reserve to guarantee bad debts with an increase in risk reserves and even the percentage decreases significantly. The negative percentage is caused by lower net risk reserves compared to loan repayments for 1-12 months.

It can be concluded that the ratio of the availability of risk reserve funds to total defaulted loans > 12 months and the availability of risk reserve funds to total defaulted loans 1-12 months at KSP Kopdit Pintu Air is still far from good criteria. This is due to the large amount of funds issued by KSP Kopdit Pintu Air that are channeled to members in the form of loans and the high ratio of bad debts, thereby reducing the availability of risk reserve funds. In addition, this ratio should ideally not be caused by low loan repayment rates. This is evidenced by the high ratio of bad debts each year which causes funds not to be set aside for net risk reserves. The step that must be considered by KSP Kopdit Pintu Air is to control the process of channeling funds to members by paying attention to the adequacy of funds and prudential principles to improve the solvency position so that later it can increase protection against mismanagement of member loans.

Assessment of Productive Asset Quality Aspects

The performance of the asset quality aspect in 2020 and 2021 categories needs to be improved. This can be seen from the results of the percentage ratio of the ratio of total defaulted loans in total receivables which fluctuates and is above the ideal limit of more than 5%, namely 14.55%, and 12.51%. This percentage shows that loan defaults at KSP Kopdit Pintu Air are very high, above the ideal limit of 5%. If the loan default ratio is above 5%, Kopdit must immediately improve the quality of its loan services because this is a sign that a crisis could befall Kopdit.

This loan default is generally caused by the level of income per capita of each member, most of which are below the minimum wage and coupled with the COVID-19 pandemic that occurred in 2019, limiting the space for members to do their work, which of course will adversely affect members' income. This is in line with Siaila's research (2017) which states that member income has a significant effect on Kopdit's income ratio. The ratio of non-yielding assets is also in poor criteria from 2020 to 2021. This can be seen from the percentage ratio of the ratio of non-yielding assets which continues to increase every year and is above the ideal criteria of > 5%. The percentage of non-yielding assets ratio for two years is 9.75%, and 12.17%. The percentage shows that many of KSP Kopdit Pintu Air's assets are funded by unproductive assets or do not provide returns. This condition must be changed because the greater the assets that do not generate profits, the greater the costs incurred for

these assets Setyyo (2015). This is because unproductive assets mainly fund the assets owned by KSP Kopdit Pintu Air. This condition eliminates the opportunity for KSP Kopdit Pintu Air to utilize the funds embedded in these non-productive assets in productive assets which of course can generate income and have a positive impact on the financial performance of KSP Kopdit Pintu Air. This is in line with research conducted by Ornay et al. (2018) which states that the accumulation of unproductive assets does not generate income for Kopdit.

Management Assessment Aspect

The Return and Cost Rate indicators from 2020 to 2021 are in the excellent and moderate criteria. This can be seen from the resulting percentages of 10.14%, and 8.68%. Even though it has decreased, the percentage generated by the Ratio of member share deposits, Ratio is above the market interest rate. The ratio of members' share deposits/average members' share deposits is at the everyday criteria as the income of members' share deposits has also increased from the ideal ratio standard. The ratio of member share deposits/average member share deposits decreased quite dramatically from 2020 to 2021. The decrease in the percentage of the ratio of member share deposits/average member share deposits in 2020, and 2021 was due to the COVID-19 pandemic, which caused a decrease in Kopdit's income due to members' negligence in lending. However, this ratio is in very good criteria because it exceeds the ideal criteria limit of 5%. This means that KSP Kopdit Pintu Air can pay its members above market interest. The results of this study are in line with research conducted by Serry (2015) which states that the welfare of Kopdit members is seen from the amount of dividend income above market prices.

Meanwhile, the operating cost ratio from 2020 to 2021 is in the medium criteria because the percentage obtained is above 5%. The percentage results for two years included 6.10%, and again decreased in 2021 by 5.90%. This means that KSP Kopdit Pintu Air issued costs exceeding the ideal standard of 5%. The expenditure of funds that exceeded the ideal limit in 2020 to 2021 was caused by the procurement of fixed assets at KSP Kopdit Pintu Air. The cost ratio that exceeds the ideal criteria limit is due to the Covid-19 pandemic which limits members from making direct payments to Kopdit, so Kopdit needs to incur enormous operational costs to meet members to collect loans directly.

It can be concluded that KSP Kopdit Pintu Air has not been able to control Kopdit's operational costs. Therefore, KSP Kopdit Pintu Air must prepare a production cost budget plan to reduce the operational costs of its assets and control operational costs to achieve financial performance efficiency and affect profitability.

Efficiency Assessment Aspect

The ratio of loans to outside parties in 2020 is in perfect criteria with a percentage of 2.42%. This percentage is below the ideal criteria, which is below 5%, which means that KSP Kopdit Pintu Air has not independently used its Kopdit assets to finance its operational activities and must make loans to other parties. Meanwhile, in 2021, the ratio of loans to outside parties was in the medium category with a percentage of 6.56%. This non-ideal ratio is due to member loans and operational financing of KSP

Kopdit Pintu Air is mostly taken from Kopdit members' share and non-share deposits. This is in line with research conducted by Eda (2017) which states that Kopdit is said to be independent if Kopdit can finance its needs using Kopdit funds. Meanwhile, the net institutional capital ratio from 2020 to 2021 is in the wrong category. This situation shows that KSP Kopdit Pintu Air requires good control and supervision in channeling funds to its members.

The effort that needs to be made is that KSP Kopdit Pintu Air must control and supervise the distribution of funds in the form of loans so that no more funds are wasted on lending to members. This is done so that liquid funds remain available if there are members who want to withdraw their deposits at any time. a large percentage from 2020 to 2021 which can be said to be the percentage of the net institutional capital ratio has decreased dramatically, namely, -5.84%, and -4.20%. The percentage obtained from the net institutional capital ratio is below the ideal criteria limit of 10%. This percentage decrease occurred because the increase in total assets was greater than the total net institutional capital. The ratio of non-share deposits from 2020 to 2021 is in the wrong criteria because the resulting percentage is below the ideal criteria limit of 70%-80%. One of the reasons this ratio is not ideal is because member interest in Kopdit's non-stock products still needs to be increased. This lack of member interest is due to the character of Kopdit members who actually only want to become members and can provide loans.

In addition, there are also non-stock savings products such as SIMADA and SIPINTAR, which can only be withdrawn within an extended period of time. pay attention to the adequacy of funds and prudential principles to improve the solvency position so that later it can increase protection against mismanagement of member loans. This of course affects the performance of KSP Kopdit Pintu Air because the institution's capital is a measure of resilience to shocks. If KSP Kopdit Pintu Air wants sufficient net institutional capital, then bad debts can be resolved immediately. Kopdit conditions with low or even minus institutional capital can be better for Kopdit because to buy unproductive KSP assets, Kopdit Pintu Air will use member shares. Meanwhile, these member shares are expensive funds that Kopdit must repay (Kresnayana, 2020). Efforts that need to be made to overcome this non-ideal ratio are to increase institutional capital such as general reserve funds, risk reserves, and undivided SHU. In addition, credit management also needs to reduce the high ratio of bad debts so that receivables can be collected.

Liquidity Aspect Assessment

Liquidity is a measure that can show the ability of a company to pay off its short-term obligations. Liquidity compares the sum of current assets and current debt. The performance of the liquidity indicator in 2020 is on the verge of poor criteria. This is because the percentage of liquidity to deposit ratio obtained is below the ideal ratio of 15%-20%. The percentage obtained is 3.33%. The performance of the liquidity indicator in 2021 is in the excellent category. This is because there was an increase in the percentage of 3.33% to 15.67%, which means it is within the ideal limit of 15%-20%. In this case it can be said that the KSP Kopdit Pintu Air reserve fund in the form of cash is sufficient to handle sudden withdrawals of member deposits. It can be

concluded that this condition occurs because KSP Kopdit Pintu Air does not have enough cash to finance deposit withdrawals and loan disbursements. KSP Kopdit Pintu Air needs to supervise and control these funds so that Kopdit spends less funds on loan portfolio investments but also considers providing cash for withdrawing members' deposits

5. Conclusions

Based on the results of the analysis of the level of health at KSP Kopdit Pintu Air in 2020 and 2021. In the capital aspect, the ratio of availability of risk reserve funds to total defaulted loans > 12 months and availability of risk reserve funds to total defaulted loans 1-12 months at KSP Kopdit Pintu Air is still far from good criteria. This is due to the large amount of funds issued by KSP Kopdit Pintu Air that are channeled to members in the form of loans and the high ratio of bad debts, thereby reducing the availability of risk reserve funds. The performance of asset quality aspects in 2020 and 2021 categories needs to be improved because the ratio of total defaulted loans to total receivables is above the ideal value limit. The management assessment aspect, the Rate of Return and Cost Indicators from 2020 to 2021 are in the excellent criteria, this category has a value above the ideal value limit. The efficiency assessment aspect is in the unfavorable category, Kopdit still has to use external loan funds for its activities. The Liquidity Assessment aspect in 2020 Kopdit is in poor condition, but in 2021 in the excellent category, because it has a value above the ideal limit

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